

Conservative Action Team

PRESS RELEASE

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FOR IMMEDIATE RELEASE

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HOUSE REPUBLICANS RESPOND TO SURPLUS ANNOUNCEMENT — PROPOSE USES FOR THE TAX OVERPAYMENT

WASHINGTON, DC -- Members of the Conservative Action Team (CATs) commented on President Clinton's announcement of a record \$4.19 trillion surplus and his plans for new and expanded government programs. "There he goes again, planning to keep as much money in Washington as possible so that he can further expand government at the expense of the American people. Rather than bigger government, hard working Americans need a smaller national debt as well as tax fairness and relief which is exactly what Republican House Members are proposing," remarked Rep. John Shadegg (R-AZ) Chairman of the nearly 60 member Conservative Action Team.

Rep. Pat Toomey (R-PA) remarked, "After passing this year's emergency-supplemental funding bill, discretionary spending in FY2000 will increase 6.6%, and in February the President proposed an additional 3.6% increase for the next year. That's already well over the rate of inflation. Now the Clinton-Gore Administration wants to create a new reserve fund to increase spending even more. I would ask the President, who once remarked that 'the era of big government is over,' exactly how much more he wants the government to grow, four times the rate of inflation, five times? How much is enough?"

In the next few days, Members of the Conservative Action Team will outline a plan that dedicates the surplus to locking away the Medicare and Social Security surpluses, paying down the national debt, and providing tax relief and fairness to the American people. Specifically the CATs plan will include:

- C Enactment of legislation already passed by the House including the Medicare and Social Security lockboxes, estate tax relief, and small business tax relief;
- C Devoting a larger portion of the surplus to the reduction of publicly held debt;
- C Enactment of an expanded Marriage Penalty Relief bill that eliminates the marriage penalty for all tax brackets;
- C Immediate, rather than phased-in repeal of the 3% federal excise tax on phone service;

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- C Tax relief that promotes the development of domestic energy supplies;

- C Repeal of the 4.3 cent federal gas tax enacted in 1993 at the request of the Clinton / Gore Administration with a refund of lost revenues to the highway trust fund from the general fund surplus; and
- C Across-the-board tax relief in the form of tax rebates or general rate reductions.

“Americans have overpaid on their taxes, cash is building up in the Treasury, and if money isn’t returned, Washington will spend it. They always have and they always will,” remarked Rep. Dave Weldon (R-FL) sponsor of a measure to provide at least a \$150 tax rebate to all taxpayers.

“This surplus is the result of the economic prosperity created by the efficiency, productivity, and hard work of the American people. Rather than returning the surplus to the American people so that they can continue to expand economic opportunity for all Americans, Bill Clinton and Al Gore want to use the surplus to expand government. The President and Vice-President should heed the advice of Federal Reserve Chairman Alan Greenspan, who stated before the Senate Banking Committee this year that, ‘...under no conditions do I see any room in the longer term outlook for major changes in expenditures,’” stated Rep. John Shadegg (R-AZ).

“Fortunately, because of our founding fathers’ foresight in creating a balance of power in our democracy, Congress will once again serve as the reality check for the President’s ‘Kid in a Candy Store’ spending spree,” stated Rep. Steve Largent (R-OK).

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